

AMENDED IN SENATE APRIL 17, 2006

AMENDED IN SENATE MARCH 27, 2006

SENATE BILL

No. 1369

Introduced by Senator Maldonado

February 21, 2006

An act to amend Section 655.6 of the Business and Professions Code, relating to clinical laboratories.

LEGISLATIVE COUNSEL'S DIGEST

SB 1369, as amended, Maldonado. Clinical laboratories: anatomic pathology services.

Existing law provides that it is unlawful for certain health care professionals to charge, bill, or otherwise solicit payment from any patient, client, customer, or third-party payer for cytologic services relating to the examination of gynecologic slides if those services were not actually rendered by the person or under his or her direct supervision. Existing law also requires clinical laboratories performing cytologic examinations of gynecologic slides to directly bill either the patient or the responsible third-party payer for the cytology services rendered by the laboratory, except as specified. A violation of these provisions is a crime.

This bill would instead make it unlawful for those health care professionals to charge, bill, or otherwise solicit payment from any patient, client, customer, or third-party payer for anatomic pathology services, as defined, if those services were not actually rendered by the person or under his or her direct supervision. The bill would also require clinical laboratories providing anatomic pathology services to directly bill either the patient or the responsible third-party payer for those services, except as specified.

Because a violation of these provisions would be a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 655.6 of the Business and Professions
- 2 Code is amended to read:
- 3 655.6. (a) It is unlawful for any person licensed under this
- 4 division or under any initiative act referred to in this division to
- 5 charge, bill, or otherwise solicit payment from any patient, client,
- 6 customer, or third-party payer for anatomic pathology services if
- 7 those services were not actually rendered by that person or under
- 8 his or her direct supervision.
- 9 (b) (1) Clinical laboratories providing anatomic pathology
- 10 services shall directly bill either the patient or the responsible
- 11 third-party payer for the anatomic pathology services rendered by
- 12 those laboratories. Clinical laboratories shall not bill the
- 13 physician and surgeon who requests the tests.
- 14 (2) Notwithstanding subdivision (a), it is not unlawful for a
- 15 clinical laboratory to bill for anatomic pathology services that
- 16 were performed by an affiliated clinical laboratory. An “affiliated
- 17 clinical laboratory” means a clinical laboratory that is wholly
- 18 owned by, is the parent company of, or is under common
- 19 ownership with, the clinical laboratory billing for the anatomic
- 20 pathology services. For these purposes, “wholly owned” means
- 21 100 percent ownership directly or through one or more
- 22 subsidiaries, and “common ownership” means 100 percent
- 23 ownership by a common parent company.
- 24 (c) For the purposes of this section, any person or entity who
- 25 is responsible to pay for anatomic pathology services provided to
- 26 that patient shall be considered a responsible third-party payer.
- 27 (d) This section shall not apply to any of the following:

1 (1) Any person who, or clinical laboratory that, contracts
2 directly with a health care service plan licensed pursuant to
3 Section 1349 of the Health and Safety Code, if services are to be
4 provided to members of the plan on a prepaid basis.

5 (2) Any person who, or clinic that, provides anatomic
6 pathology services without charge to the patient, or on a sliding
7 scale payment basis if the patient's charge for services is
8 determined by the patient's ability to pay.

9 (3) Health care programs operated by public entities,
10 including, but not limited to, colleges and universities.

11 (4) Health care programs operated by private educational
12 institutions to serve the health care needs of their students.

13 (5) Any person who, or clinic that, contracts with an employer
14 to provide medical services to employees of the employer if the
15 anatomic pathology services are provided under the contract.

16 (e) For purposes of this section, the term "anatomic pathology
17 services" means any of the following:

18 (1) Histopathology or surgical pathology, meaning the gross
19 and microscopic examination of organ tissue performed by a
20 physician and surgeon or under the supervision of a physician
21 and surgeon.

22 (2) Cytopathology, meaning the examination of cells, from
23 fluids, aspirates, washings, brushings, or smears, including the
24 Pap test examination performed by a physician and surgeon or
25 under the supervision of a physician and surgeon.

26 (3) Hematology, meaning the microscopic evaluation of bone
27 marrow aspirates and biopsies performed by a physician and
28 surgeon, or under the supervision of a physician and surgeon, and
29 peripheral blood smears when the attending or treating physician
30 and surgeon or technologist requests that a blood smear be
31 reviewed by a pathologist.

32 (4) Subcellular pathology and molecular pathology.

33 ~~(5) Blood banking services performed by pathologists.~~

34 SEC. 2. No reimbursement is required by this act pursuant to
35 Section 6 of Article XIII B of the California Constitution because
36 the only costs that may be incurred by a local agency or school
37 district will be incurred because this act creates a new crime or
38 infraction, eliminates a crime or infraction, or changes the
39 penalty for a crime or infraction, within the meaning of Section
40 17556 of the Government Code, or changes the definition of a

- 1 crime within the meaning of Section 6 of Article XIII B of the
- 2 California Constitution.

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